# 15 U.S. Code § 687f. Unlawful acts and omissions by officers, directors, employees, or agents

U.S. Code

Notes

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#### (a) VIOLATION BY LICENSEE DEEMED VIOLATION BY PERSONS PARTICIPATING

Wherever a <u>licensee (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-874513476-808409303&term\_occur=123&term\_src=title:15:chapter:14B:subchapter:III:part:A:section:687f)</u> violates any provision of this chapter or regulation issued thereunder by reason of its failure to comply with the terms thereof or by reason of its engaging in any act or practice which constitutes or will constitute a violation thereof, such violation shall be deemed to be also a violation and an unlawful act on the part of <u>any person (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-1068185591-</u>

1168934806&term\_occur=206&term\_src=title:15:chapter:14B:subchapter:III:part:A:section:687f)who, directly or indirectly, authorizes, orders, participates in, or causes, brings about, counsels, aids, or abets in the <u>commission</u> (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-1283237621-

502640517&term occur=999&term src=title:15:chapter:14B:subchapter:III:part:A:section:687f) of any acts, practices, or transactions which constitute or will constitute, in whole or in part, such violation.

#### (b) Breach of fiduciary duty

It shall be unlawful for any officer, director (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15\_USC-31068760-1154399186&term\_occur=434&term\_src=title:15:chapter:14B:subchapter:III:part:A:section:687f), employee, (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-1193469614-1856983072&term\_occur=690&term\_src=title:15:chapter:14B:subchapter:III:part:A:section:687f), agent, or other participant in the management or conduct of the affairs of a licensee (/definitions/uscode.php? width=840&height=800&iframe=true&def\_id=15-USC-874513476-

808409303&term occur=124&term src=title:15:chapter:14B:subchapter:III:part:A:section:687f) to engage in any act or practice, or to omit any act, in breach of his fiduciary duty as such officer, <u>director, (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-310687660-</u>

 $\frac{1154399186\& term\ occur=435\& term\ src=title:15: chapter:14B: subchapter:III: part:A: section:687f)\ employee,}{(/definitions/uscode.php?width=840\& height=800\& if rame=true\& def\ id=15-USC-1193469614-1000 for rame and rame a$ 

 $\underline{1856983072\& term\ occur=691\& term\ src=title:15: chapter:14B: subchapter:III: part:A: section:687f)}\ agent,\ or\ participant,\ if,\ as\ a\ result\ thereof,\ the\ \underline{licensee\ (/definitions/uscode.php?}$ 

width=840&height=800&iframe=true&def\_id=15-USC-874513476-

<u>808409303&term\_occur=125&term\_src=title:15:chapter:14B:subchapter:III:part:A:section:687f)</u> has suffered or is in imminent danger of suffering financial loss or other damage.

- (c) Disqualification of officers and employees for dishonesty, fraud, or Breach of trust Except with the written consent of the Administration (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-253709438-808409301&term\_occur=253&term\_src=title:15:chapter:14B:subchapter:III:part:A:section:687f), it shall be unlawful—
  - (1) for any person (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-1068185591-1168934806&term\_occur=207&term\_src=title:15:chapter:14B:subchapter:III:part:A:section:687f) hereafter to take office as an officer, director, (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-310687660-1154399186&term\_occur=436&term\_src=title:15:chapter:14B:subchapter:III:part:A:section:687f) or employee (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-1193469614-

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<u>1856983072&term\_occur=692&term\_src=title:15:chapter:14B:subchapter:III:part:A:section:687f)</u>of a <u>licensee (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-874513476-</u>

 $\underline{808409303\& term\ occur} = \underline{127\& term\ src} = \underline{title:15:chapter:14B:subchapter:III:part:A:section:687f}), \ if -equation = \underline{127\& term\ src} = \underline{127\& term\ src}$ 

- (A) he has been convicted of a felony, or any other criminal offense involving dishonesty or breach of trust, or
- **(B)** he has been found civilly liable in damages, or has been permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust; or
- (2) for any person (/definitions/uscode.php?width=840&height=800&iframe=true&def\_id=15-USC-1068185591-1168934806&term\_occur=208&term\_src=title:15:chapter:14B:subchapter:III:part:A:section:687f) to continue to serve in any of the above-described capacities, if—
  - (A) he is hereafter convicted of a felony, or any other criminal offense involving dishonesty or breach of trust, or
  - **(B)** he is hereafter found civilly liable in damages, or is permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust.

(<u>Pub. L. 85–699, title III (https://www.congress.gov/public-laws)</u>, § 314, as added <u>Pub. L. 89–779 (https://www.congress.gov/public-laws)</u>, § 7, Nov. 6, 1966, <u>80 Stat. 1363 (https://www.law.cornell.edu/rio/citation/80 Stat. 1363)</u>.)

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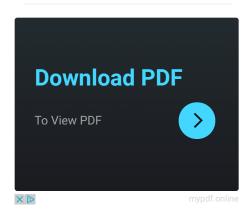
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